



PRESS RELEASE

Internal Revenue Service - Criminal Investigation
Houston Field Office
D. Richard Goss, Special Agent in Charge

Date: Feb. 19, 2016

Contact: Special Agent Arnita Jackson
IRS – Criminal Investigation/Public Information Officer
8701 S. Gessner Road
Houston, TX 77074
281-721-8394
Arnita.Jackson@ci.irs.gov
CI Release #: HOUFO-2016-01

Identity Theft an Ongoing Concern on the IRS Annual "Dirty Dozen" List of Tax Scams to Avoid *Houston Field Office Takes Down Identity Theft Rings*

Houston — The Internal Revenue Service recently issued a filing season alert warning taxpayers to watch out for identity theft at tax time and highlighted the crime as the first scam in the agency's "Dirty Dozen" series.

Over the course of the past year, as part of the Security Summit initiative, the IRS partnered with states and the tax industry to enhance coordination and create a more secure system for taxpayers.

Security Summit participants, including the IRS, will regularly share details of fraudulent schemes detected this season so industry and government have the same information and can adjust accordingly to provide increased protection. Many changes will be invisible to the taxpayer, but the more than 20 shared data elements are critical to making sure the IRS, states and industry can better verify the taxpayer and the legitimacy of the tax return.

"Our collaborative efforts with the Security Summit have given the IRS additional tools to stop fraudulent returns at the door," said IRS Commissioner John Koskinen. "The criminals continue to look for increasingly sophisticated ways to breach the tax system. While the IRS has improved prevention and detection efforts, we're calling on taxpayers to protect their private information so thieves can't steal personal data to file fraudulent returns."

The IRS also joined with industry and states on a public awareness campaign to provide taxpayers with easy tips to better protect themselves. The "Taxes. Security. Together." campaign includes YouTube videos, Tax Tips and fact sheets to help taxpayers stay safe online.

"We know that identity thieves cause real harm to their victims and can turn their *financial* lives *upside-down*. IRS Criminal Investigation is truly committed to fighting identity theft and is in the forefront of prosecuting identity thieves," said D. Richard Goss, Special Agent in Charge, IRS-CI, Houston Field Office. "IRS CI special agents are the best in the nation at unraveling complex financial conspiracies and we use that talent to bring *criminals* to justice."

Over the past three fiscal years, Criminal Investigation (CI) helped convict approximately 2,000 identity thieves. In fiscal year 2015, the IRS initiated 776 identity theft related investigations, which resulted in 774 sentencing through CI enforcement efforts. The courts continue to impose significant jail time with the average months to serve in fiscal year 2015 at 38 months — the longest sentencing being over 27 years.

In the Houston area alone, the following criminals were recently sentenced for their roles in Identity Theft schemes:

Eight Sentenced in Massive Stolen Identity Tax Refund Fraud Scheme

On Nov. 4, 2015, in Houston, Texas, eight defendants were sentenced for their roles in a stolen identity and fraudulent tax return scheme. Travis White, Jalan Willingham, U.S. postal carrier Calvin Shelton, all of Atlanta, Georgia were ordered to serve 224, 132 and 57 months in prison, respectively, for conspiracy, wire fraud and aggravated identity theft. Postal carriers Edward Dwayne Vallier, of Houston, Shawn Phillip Thornton, of Atlanta, and Tangel R. Jackson-Lezeau, of Port Saint Lucie, Florida, received sentences of 27, 45 and 46 months in prison, respectively, for mail fraud, wire fraud and aggravated identity theft. Kerry Lionel Ruffin, and Rance Hunter, both of Atlanta, were sentenced to 50 and 84 months in prison for. In addition, the court ordered restitution in the total amount of \$7,845,652, with the defendants paying varying amounts in accordance with their roles in the scheme. A ninth defendant, Dwayne Biggs, is awaiting sentencing. From 2010 through 2014, the co-conspirators used stolen personal identifying information to file thousands of fraudulent tax returns claiming more than \$12 million in refunds. Ringleader White recruited Shelton and Thornton, and gave instructions to co-conspirators on what to do in this scheme. He acquired stolen information and filed the false tax returns. Also, once he recruited letter carriers, he instructed them to mail refund cards to him or Willingham. He also moved the scheme to Houston when he realized law enforcement was on their trail. Hunter had access to the Fulton County, Georgia, Sheriff's Office database containing personally-identifiable information (PII) of arrestees, inmates and employees. He sold the PII to Biggs, who then provided it to Ruffin. Ruffin acted as a conduit, funneling the stolen PII to the co-conspirators in Houston. Vallier, Jackson-Lezeau and Shelton allowed fraudulent refunds to be mailed to addresses on their routes. After gathering the mail containing the refund debit cards, they sent them to their co-conspirators in Houston.

Final Defendants Sentenced for Stolen Identity Refund Fraud Scheme

On July 27, 2015, in Houston, Texas, Jason Maclaskey, of Spring, and Omar Butt, of Brooklyn, New York, were sentenced for their roles in a scheme to steal identities and file fraudulent federal tax returns. Maclaskey was sentenced to 120 months in prison and three years of supervised release. Butt was ordered to serve 40 months in prison. A third defendant, Heather Dale, of Grant, Alabama, was previously sentenced to 24 months in prison. The court also ordered them to pay \$314,868 in restitution. The defendants unlawfully obtained the names, dates of birth and Social Security numbers from 371 taxpayers and used this information to file false tax returns in 2009. The defendants then used this information to set up fraudulent bank accounts and directed the tax refunds to be sent to debit cards in the taxpayers' names. The defendants then withdrew this money through debit cards at ATMs and by making purchases at various retail stores. Through this conspiracy, the defendants claimed a total of more than \$1.4 million in false tax refunds, succeeded in withdrawing more than \$300,000 before the scheme was uncovered.

The IRS understands that identity theft is a frustrating, complex process for victims. While identity thieves steal information from sources outside the tax system, the IRS is often the first to inform a victim that identity theft occurred. The IRS is working hard to resolve identity theft cases as quickly as possible.

For more information, see the special identity theft section on IRS.gov.

###